

## PROJECT OVERSIGHT REPORT

HP 3000 Replacement Project – Office of Insurance  
Commissioner (OIC)

Report as of Date:  
December 2004

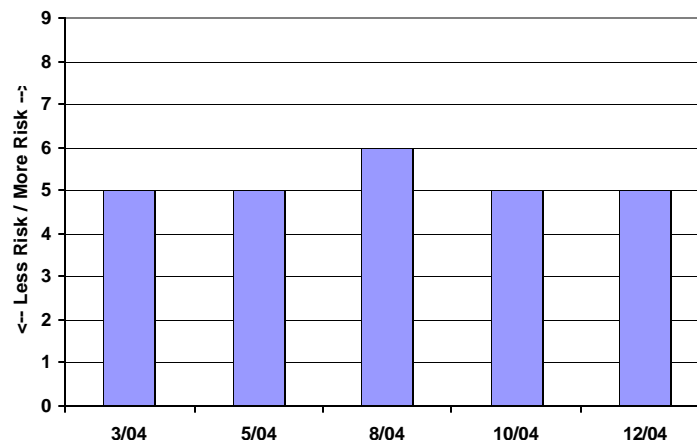
Executive Sponsor: Mike Watson  
Project Director: Mike Shea

MOSTD Staff: David Koch

Severity/Risk Rating: Medium (medium severity, medium risk)

Oversight: Level 3 – ISB  
(Approved as Level 3  
by DIS Director)

### Overall Project Risk Assessment



**Staff Recommendations:** There are no recommendations at this time.

### Variances:

- **Schedule:** The current schedule, established in 2003 by the feasibility study, calls for completion of requirements and vendor selection by July 2005 and project completion by December 2006. Working in conjunction with the Requirements Gathering Vendor (CRE8 Inc.), the agency is evaluating several migration strategies based on better information that has been collected in recent weeks regarding scope and complexity. The agency will continue this effort and begin evaluating potential commercial off the shelf (COTS) solutions. A revised migration plan and schedule are being developed that will enable the project to realistically achieve the HP3000 system migration and the agency's highest business objectives within the next biennium. The project is expected to be completed in phases. Phase 1 (Requirements Gathering Phase) is still targeted for completion by July 2005.
- **Budget/Cost:** The Office of Insurance Commissioner (OIC) has redirected existing project funds to cover the expenditure of external quality assurance (QA) (Level 3 Oversight) while still remaining within the original project appropriation.
- **Scope:** None.
- **Resources:** None

**Risks/Mitigation:****1. Schedule**

The schedule is aggressive and contains little contingency.

**Mitigation Tasks**

- OIC has increased their planning activities to include more frequent interaction between the Project Manager and Executive Leadership. Executive Leadership is actively involved in the current planning processes.
- The current requirements gathering work will further refine the project scope. The agency will prioritize and identify which business objectives it will undertake in conjunction with the system migration effort within the schedule and budget constraints.
- A revised plan for implementation will be completed at the end of Phase 1.

**2. Budget & Resources**

An initial concern was the added requirement for external QA would create an additional cost beyond the original project budget. The agency has successfully procured a requirements vendor and external QA vendor within the current project budget.

**Background Information**

**Description:** The project will allow OIC to replace its Hewlett Packard (HP) 3000 system. HP will cease support for HP 3000s as of December 31, 2006. The Director of the Department of Information Services has approved the acquisition of the replacement system and directed that OIC provide an informational briefing to the Board. Due to the large number of presentations for recent ISB meetings an updated project status report has been provided for each Board meeting rather than a presentation.

The majority of applications and data repositories currently supporting OIC's business objectives and OIC operations run on the HP3000 platform. Hewlett Packard, the manufacturer of the HP3000, recently announced that it would cease support for this platform as of December 31, 2006. Originally developed using the Speedware programming language and a Turbolmage database system, the current set of applications and databases serve as the primary information source and automated functionality for OIC business operations. While the agency could continue to use these systems beyond 2006, continuing to do so will create risk to the agency's business operations caused by dwindling support resources, shortage of qualified developers and inflexibility of these systems to meet evolving business needs.

In addition to supporting the required platform migration, a number of business and technical issues and opportunities can be addressed by assessing the current HP3000/Speedware system's ability to serve OIC in the future and meet the business objectives discussed below. OIC's approach to meet the above objectives is to institute a best-of-breed procurement strategy that will identify and implement package solutions that meet OIC's needs. The technology platform is expected to be Windows NT/2000 (or, depending upon the implementation date, the latest Microsoft server release) suite, which is consistent with OIC technical direction. Much of OIC's current requirements will be met by integrating available COTS products with supporting custom development as required. Package modifications (e.g., building workflow route maps) will have to be performed as well as a limited custom programming to provide functionality not available from package solutions.

**Technology:** See comments above on expected technology.

**Budget/Costs:** Implementation/development costs:

Software Licenses	\$475,000
Hardware	\$161,000
Contract Services	\$2,195,683
OIC Staff	<u>\$229,834</u>
Total	\$3,061,517
Annual Maintenance (\$318,164/year)	
5 Year Maintenance	<u>\$1,590,820</u>
<b>Total Life Cycle Cost</b>	<b>\$4,652,337</b>